

S P E E C H

OF

HON. JAS. BROOKS, OF NEW YORK,

DELIVERED

IN THE HOUSE OF REPRESENTATIVES, APRIL 19, 1864.

The House having under consideration the new \$300,000,000 tax bill—

Mr. BROOKS said :

Mr. CHAIRMAN: I have been listening for two hours with the greatest pleasure to the glowing pictures which have been presented to us and the country by the gentleman from Vermont [Mr. MORRILL,] and my honorable colleague from New York, [Mr. STEBBINS,] and I had begun almost to fancy that these pictures of war now passing before us with an army of nearly a million of men were a blessing, not a curse. I felt, indeed, as if I had been transported from these horrid scenes all about into the beautiful picture galleries of Versailles, representing on canvas all the glories and none of the horrors of war; or, as if I were reveling in the marble galleries of the Vatican, where are the sculptured heroes without any of the horrors, or consequences, or sickening details of war. I had almost come to the conclusion that war is a blessing and that debt is a divine institution, when I was awakened from the reverie by the stout, stern tax bill before me.

The gentleman from Vermont told us in the closing remarks of his speech that the public press have been unjust to Congress in their comments on its inefficiency or inattention to duty. I concur with him that that institution to which I belong, the press, sometimes called the third estate of the realm, has been unjust to this Congress, and I, though on the opposite side of the House, rise here in my place and say with pleasure that no one, outside or inside, has ever attended the deliberations of a Congress which has been more industrious, or which in the brief period of time we have been in session has enacted so many bills of the greatest importance. My own impression is, from a summary of the appropriation bills which have already passed this House, that our action on them, and on them alone, has been over \$3,000,000 a day. No Congress could possibly have been more industrious than this in the appropriation of the public money, as I think all sides will admit upon mature reflection and upon study of the appropriation bills of all kinds.

And so confident a trust have we had in the chairmen of our committees that without discussion, and often without examination, have we accepted the bills they have reported and passed them almost as a matter of course. Important bills have been reported from three committees the chairmen of which are from the sovereign State of Massachusetts. I call her a sovereign State, because it is now the only sovereignty left among the States of this Union. The chairman of the Committee on Naval Affairs [Mr. RICH, of Massachusetts,] presented here a series of very important naval bills which passed almost without debate or discussion. Another honorable gentleman from Massachusetts, acting as chairman of the Committee on Commerce, [Mr. ELIOT,] presented us two navigation bills, one regulating the course of trade upon the great highway of the ocean, which we accepted almost without reading, certainly without examination. And another honorable gentleman from Massachusetts, [Mr. ALLEY] the chairman of the Committee on the Post Office and Post Roads, an intelligent and industrious gentleman, presented us three or four important bills the other day; and such was our confidence in his wisdom and his judgment, that we accepted them all with little or no discussion, almost as a matter of course. And all these were bills which in ordinary times would probably have consumed day after day in discussion.

I tell the press then, and through them I wish the country to be assured, that the Republicans in this House have been industrious from the beginning—more so, in my judgment, than the Democrats have been hitherto in former Congresses—and that the Republican press has been unjust to them in the general denunciation which they have made of their idleness and their incapacity and of their inattention to the public business. Public business is not now what it was ten years ago, when only sixty or seventy million of the public money were appropriated. Now, the subjects are vast, and he who legislates must know a little of everything. The great science of war and of strategy must now be understood by him. We have nearly a mil-

lion of men to provide for and to handle. We have a navy suddenly grown up from some sixty to some six hundred and sixty vessels afloat. We no longer have mere tariffs to study, but the whole science of taxation, of which, happily, hitherto we have been so ignorant, with all its relationships to currency, and commerce, and manufactures, and agriculture. Indeed, we are called upon at once to add to our arts of peace as pioneers or settlers of the wilderness or the prairie, all the arts of war as affecting our political economy or diplomacy, complicated now in all the prize or other international struggles we have with European States, that alternately hesitate whether to respect us as a great people or a people torn and rent by civil war, soon to be their prey. No Congress at any time since 1776 or 1787-88-89, has ever been called upon to act upon subjects so vast as this Congress has. Hence all these denunciations of the Republican press upon their Representatives here have been utterly unjust, and I stand here—though not on their side of the House—to vindicate them from those aspersions.

The remarks of the honorable gentleman from Vermont [Mr. MORRELL] have now, and for the first time given to us from the Administration some facts important to the country. His tax bill, he tells us, will realize \$250,000,000. His colleague on the committee from New York [Mr. STEBBINS] thinks the amount may run up to \$300,000,000, and that \$90,000,000 are to be derived from the increased tariff, so that \$340,000,000 are to be considered as the public revenue.

Well, well, I am only a passenger in this great ship of State. The honorable gentleman from Pennsylvania near me now [Mr. KELLEY] told us at an early period of the session that upon them (the Republicans) not upon us devolved the responsibility; and another honorable gentleman from Maryland [Mr. DAVIS] in beautiful Virgilian Latin exclaimed: "*Non tili auxilio, nec defensoribus istis, tempus eget.*" In homely phrase, we do not want any such help as yours. You fellows on the Democratic side of the House must stand off. We will run the legislative machine as exclusively ours! Even now, when the paper money, if not the wooden horse, is entering our Troy, when gold is going hopeless to the grave, if not already gone, and Hechba admonishes her unhappy Priam of his impending fate, I hear ringing in my ears the inappropriate malediction, *Non tili auxilio!* Well, well! a tax upon us of \$340,000,000 *per annum*, and it may be upon our children and our children's children—all that depending upon the aggregate amount of debt the war entails upon them,—I turn from the dark and yet darkening future to repeat, upon you, then, Republicans, devolves the responsibility of this tax bill. There will be no obstacles thrown in your way from this side of the House, indeed, we will facilitate your work all that is in our power, by furnishing you with a quorum for the transaction of public business, and by standing up as figure-heads to be counted.

There is little else left to us in this House, save to be thus useful as tokens to be counted. The ordinary privilege that every man has, white or black, is, when the census is taken, to be counted at least once in the general enumeration; and we are here now to be counted when you want us to make a quorum of the House. The tax bill is yours, and all the honors and responsibilities.

The honorable gentleman from Vermont (Mr. Morrell) also throws in a little more light. He says that the expenditures of the Government for the fiscal year ending June 30, 1864, are to exceed the estimates. Although there are still two and a half months of the fiscal year to elapse, the expenditures have already exceeded the estimates of Mr. Chase. The gentleman from Vermont accounts for it by the \$100,000,000 appropriated for bounties and the two hundred thousand soldiers added to our army. A Secretary with foresight ought to have foreseen, in his annual estimates, that these bounties were necessary. He would have foreseen the number of men necessary, and would not have had to come, as he will now have to come at the opening of the next session of Congress, with a fresh deficiency bill like that of the last, say with some new \$106,000,000.

The gentleman from Vermont also stated another fact—a confession, too, of no inconsiderable importance, although it is not admitted by my honorable colleague [Mr. Stebbins]; which is, that by swelling the volume of currency nothing is added to the values of property. Six hundred million dollars of paper currency, he well says, will not buy more than \$400,000,000. The fact is an important one; and I wish it to be borne in mind not only by that, but by this side of the House. I wish the whole House to act on that admission of the chancellor of the budget in the Committee of Ways and Means—for my honorable friend from Vermont seems to be chancellor of the budget, while the honorable gentleman from Massachusetts [Mr. Hooper] is chancellor of the exchequer; and the honorable gentleman from Pennsylvania [Mr. Stevens] is a sort of political lord chancellor, who overlooks his colleagues, and brings up the great rear guard when any seem to be failing.

My honorable colleague [Mr. Stebbins] has been indulging in most glowing eulogies, quoting Macauley and other writers upon the British system of debt and taxation. The whole scope of his address has been to prove, or to try to prove, that the British system in itself, if not a lovely and perfect system of society, is nevertheless an endurable system, and such as should be copied by us. Why, it was because of British taxation that our great Revolution of 1776 broke out. It was only a tax upon tea that stimulated the American revolt, and that brought about the independence of the United States. It has been British debt and British taxation that have driven out, and are driving out now, thousands and tens of thousands of the British people from the fast-anchored island to the snows of Canada and the distant shores of

Australia, so that it has been well said that the morning drum of the British soldier encircles the globe as it beats with the rising sun. The Briton is everywhere because his home is too heavily taxed. The whole earth is filled with Englishmen, because they cannot live under British debt and British taxation. Ireland! Why does Ireland lose her population, and show a decrease in the census? Hapless Ireland! Why is the Irishman here, there, and everywhere, fleeing from British thralldom and British taxation? Why is Scotland more or less depopulated from the northernmost shore to the Lowlands? Why, but because of British taxation. Why is England now not raising enough to feed her own people? Why is she dependent on other nations for the very bread that she eats? Why are her people now driven from the green fields and bright sun into cellars thirty feet under ground, into garrets six and seven stories high, into mines where daylight never enters, into workshops where workmen labor ten, twelve, and fourteen hours a day, earning hardly sustenance enough for human life? Why, but for this system of British taxation and British debt, which my honorable colleague holds up to us as a *beau ideal*, as a Utopia to be copied? Sir, it may be our misfortune to be doomed to British taxation, but solace us with the cheering intelligence that it is necessary for the support of our institutions, and not lacerate us with the idea that because England and Ireland and Scotland have endured the burden of an immense debt and taxation, we too should endure the same heavy burden on our shoulders.

Away, then, with all such language and such reasoning as that, and never hold up to the American people the beauties of taxation as displayed in the political or social system of England, Scotland, or Ireland. Debt is doom, is living death to any people. Taxation is the consuming parasite of debt. Debt is but another name for slavery. The taxpayer is the slave, to a certain extent, of the debt-owner. He who owns my labor, or the proceeds of my labor, owns me. He who has a mortgage upon my house or my farm to pay the interest upon the debt I owe him owns to that extent my house or my farm. Hence, with great national debts come great political and social changes among peoples. Republican institutions are impossible in England, because of her enormous debt, and consequent enormous taxation. The oligarchy of capital ever inexorably links itself with the aristocracy of birth. Hence the oligarchy of capital in England is ever in alliance with the aristocracy of the State. No pro-slavery institution in the South was ever severer upon a Southern slave than is the oligarchy of capital in England, created by British debt and British taxation, upon labor and industry. An aristocracy, a House of Lords, a king and queen are indispensably necessary to support such a system of debt, and to impose such a system of taxation upon the British people.

Thus much, sir, in reply to some portion of the remarks of my honorable colleague and

of the honorable gentleman from Vermont. I now proceed to take a more statistical view, a more *figurative* view of the question of taxation as suggested by this bill.

I beg both sides of the House to bear in mind this fact; that taxation may not always be income; that \$300,000,000 levied in taxation does not always produce that result to the revenue. Listen to me and you will appreciate my logic. The Secretary of the Treasury in his annual report lays down the expenditures of this Government at \$800,000,000 per annum. If now you increase the volume of the currency fifty per cent. you add this fifty per cent. to the price of all the property of the country, and hence, of course, you add \$400,000,000 on to the price of the \$800,000,000, the annual expenditure of the country. The tax bill before us has in it, we are told, \$300,000,000 only, so that if while you swell the volume of the currency \$400,000,000 you tax but \$300,000,000, you lose in your purchases \$100,000,000, instead of gaining anything by our taxation. The currency, then the character and the quality of the currency in which the taxation is to be collected becomes a matter primary even to the consideration of the tax bill before us.

The whole tendency of the action of the Secretary of the Treasury—I will not say of Congress—but the whole tendency of the action of the Secretary of the Treasury has been to increase the volume of the currency. I repeat that, upon our expenditure of \$800,000,000 he has increased the nominal values of property \$400,000,000. So that whatever he has to buy of powder or munitions of war, of clothing or food for man or beasts, or of anything whatever for our army, costs him fifty per cent. more than it did at the commencement of the war, thereby increasing the national debt fifty per cent. for the present year beyond what it would have been with the same amount of currency he started with at the beginning of the war.

Hence in looking at this question in a practical point of view, the first thing to be considered in connection with taxation is currency; currency, the basis upon which all property stands, that ought-to-be solid foundation of society upon which everything is erected. Currency! Currency should go before taxation, or currency and taxation should walk arm in arm together in the public consideration.

Mr. Chairman, there is a question of veracity between somebody in a high place and the public outside that ought to be settled before we go further; and that is, in reference to this volume of currency. Indeed, the question has been settled to-day in this House, to some degree, by the gentleman from Vermont [Mr. MORRILL] in admitting that the currency of the country was \$600,000,000, and not the \$400,000,000 only, the Secretary of the Treasury insists upon its being now, even at this late day.

The Secretary of the Treasury, in his annual report to Congress, which I have before me, assured us in December last that the

volume of the currency should not rise above nor beyond \$400,000,000. And my honorable colleague, [Mr. STEBBINS,] with a large amount of confidence, not to say credulity, in the statement of the Secretary of the Treasury, in a late speech (March 3) which he delivered in this House, read this extract from the report:

"Congress believed that \$400,000,000 would suffice for these purposes, [to fill up the deficit of coin, &c.,] and therefore limited issues to that sum. The Secretary proposes no change of this limitation, and places no reliance, therefore, on any increase of resources from increase of circulation. Additional loans in this mode would, indeed, almost certainly prove illusory; for diminished value could hardly fail to neutralize increased amount."

And here follows the comment of my honorable colleague thereon:

"Here is an official declaration that \$400,000,000 of currency have been supplied, and are the outside limit to which the Secretary will consent, although the law allows an issue of \$450,000,000. Ought not the country to be satisfied with this, the assurance of the Secretary of the Treasury under his official signature?"

What confidence could well have been greater than my honorable colleague reposed in the pledge of the honorable Secretary of Treasury? Indeed, sir, the Secretary of the Treasury, in a late letter to the chairman of the Committee on Finance in another branch of Congress, writes:

TREASURY DEPARTMENT, April 12, 1864.

SIR: Notwithstanding the diminished amount of United States notes in circulation, and the gradual withdrawal from use as currency of interest-bearing United States notes made a legal tender for their face, the price of gold continues to advance. This effect can only be attributed to one or two causes, and is probably due in part to each. First, to the increase of notes of local banks; and secondly, to the efforts of speculators.

I have already submitted, through you, to the consideration of the Committee on Finance a bill intended as a remedy for the first evil. I now beg leave to submit to its consideration a bill intended as a remedy for the second.

The first bill, if it become a law, will have, I doubt not, the most salutary consequences. The effect of the second will probably be more immediate, though perhaps not of such permanent importance.

I ask for both a candid consideration, and, if approved, the favorable action of Congress.

It must not be thought, however, that I regard either or both of these measures as adequate remedies for financial disorders. Nothing short of taxation to one-half of the amount of our current expenditures and a reduction of those expenditures to the lowest point compatible with efficiency will insure financial success to the Government. And without military success all measures will fail.

Very respectfully, yours, S. P. CHASE,
Secretary of the Treasury.

Hon. W. P. FESSENDEN, Chairman Committee on Finance.

I am amazed by that letter of the Secretary of the Treasury! I know not how properly to characterize it. For so humble an individual as myself, though occupying an exalted position as a Representative of the people here, to speak of it in the plain, rough language of

truth, would, if parliamentary here on the floor of the House, seem indecorous elsewhere. To pronounce that a Secretary of the Treasury writes that of which he knows nothing, or, to take the other alternative, that his letter is a gross misrepresentation of facts or a gross perversion of the truth would be indecorous, and therefore I will not characterize the letter of the honorable Secretary by any name or epithet, but I will examine its statements, and demonstrate that there are three great, gross errors therein.

First, as to the amount of United States notes in circulation. He says they have been diminished. I have in my hand an official statement which came from the office of the Secretary of the Treasury, I do not say in this city, but nevertheless an official statement which corroborates my statements. The circulation of legal-tender notes on April 12, 1864, without certificates of indebtedness, which are a species of currency; the circulation of legal-tender notes alone, was \$660,976,616, an increase of \$260,976,616 in legal tenders alone, over what the Secretary of the Treasury promised in December, and beyond that which my honorable colleague stated and indorsed, March 3. Add \$20,000,000 of fractional currency notes thereto, and the legal-tender currency in circulation on April 12, 1864, was \$680,976,616. The table of legal tenders outstanding is as follows, and will be found very interesting:

	June 30...	Sept. 30...	Dec. 1....	Jan. 1....	Feb. 1....	March 1...	March 15.	April 1....	April 12...
Greenbacks.	\$387,646,589	402,737,051	418,245,931	421,836,781	450,785,004	440,119,548	449,073,616	449,073,616	449,073,616
Two-year coupons.	.....	.....	.....	.....	\$50,000,000	95,502,031	115,581,414	115,581,414	115,581,414
Two-year maturity.	.....	.....	.....	.....	.....	.....	\$20,801,586	\$20,801,586	44,801,586
One-year.	.....	.....	.....	.....	.....	\$5,860	14,000,000	26,520,000	51,520,000
Total legal tenders.	\$387,646,589	402,737,051	418,245,931	421,836,781	500,785,004	544,627,439	679,255,030	620,976,616	660,976,616

And now as to error No. 2. When this Congress assembled in December last, there

was not an interest-bearing Treasury note afloat. In January no less than \$50,000,000 were in circulation, and on April 12, 1864, \$211,902,900. Let me not (despite what the Secretary writes to Mr. FESSENDEN) be told that these interest-bearing notes are not in circulation. Sir, they are. They are the basis of the clearing-houses; they are in your pockets, as members of Congress, for your pay; they are in everybody's pocket; and I learn that they have been issued by millions within the past week to provide for the payment of the army of the United States. On June 1, when the coupons are cut off, there will then be \$115,000,000 now accumulating, in lieu of the original legal tender, liberated at once for circulation, and swelling thus at once the volume of the currency. These interest-bearing notes now are here, there, everywhere, in every shape and form; and the inflation of prices since December last, on everything which one eats and drinks and costumes, from the luxuries of tea and coffee to the necessities of life, such as beef, pork, and bread, has been caused and stimulated in their nominal value by this addition by the Secretary of the Treasury of over \$280,000,000 to the currency, beyond what the Secretary promised and pledged in December last. Indeed, so severe are now the prices of food and of clothing upon the two and a half millions of the working people of the country, the operatives, the day laborers, &c., that these people—men, women, and children—groan and suffer daily over the results. A severe struggle has now commenced among the very poor, such as never was known before in this country. The working classes pay sixty cents per pound for butter, twenty-five cents for beef, \$3 50 per barrel for potatoes, twelve cents per pound for codfish, sixteen cents per pound for mutton, twenty cents per pound for hams, and sixteen cents per pound for pork. The range of clothing is of the same inflated character. House rents are also advancing beyond the means of labor to pay; and to what mainly may all this be attributed? What but to this frightful expansion of the currency?

Let us come now to error No. 3 in the Secretary's letter to Mr. FESSENDEN, wherein he attributes his own expansion to the expansion of the State banks, and because of which, the wrong he has committed, he would shift off upon them. I am quite sure if honorable members upon the other side of the House had given this subject examination which I have, they would not put faith in such letters as these from the Secretary of the Treasury, but would seek out facts for themselves. Inflation of the currency has not been caused by the issues of the State banks. In that great center of money circulation, in that metropolis which I have the honor in part to represent upon this floor, the circulation of the State banks is less than it has been for ten years. I hold in my hand an official statement of the banking department of New York, which shows that from September 30, 1854, to September 30, 1863, the total circulation is—

sued and outstanding each year was, in September last, \$1,765,805 less than in 1854.

Total circulation issued and outstanding each year.

Date.	Circulation.
September 30, 1854, . . .	\$13,962,535
September 30, 1855, . . .	41,159,794
September 30, 1856, . . .	43,492,485
September 30, 1857, . . .	41,243,922
September 30, 1858, . . .	35,607,180
September 30, 1859, . . .	36,581,276
September 30, 1860, . . .	38,034,800
September 30, 1861, . . .	36,606,140
September 30, 1862, . . .	42,239,836
September 30, 1863, . . .	42,192,645

I hold in my hand another statement, which shows that on the 26th day of September, 1863, the real, not the yearly average, circulation of the New York State banks was but \$33,423,230, the smallest amount of circulation that they have had for years. Yet I am to be told that the State banks have been the cause of the present inflation of the currency. Nothing is more untrue. No charge could be more unjust. Those banks are not my friends. In the good old times, when the mass of the property of the country belonged to the Whigs, I was associated with the great bank interest and property; but they have separated from me because I would not go with them on the subject of the abolition of slavery by force of arms. And these bankers have not been my friends. Nevertheless those men are patriotic. They are men of foresight in mere business matters, and when this war came, instead of expanding the currency they curtailed it, as I have shown. Hence the passage of the resolution yesterday against them, and censuring them, and threatening to tax them out of existence, was injustice and ingratitude of a cruel kind. It was a denunciation, Republicans, of your own friends, for Democrats have not State banks, while the Republicans have. The denunciation was of your own people, your own friends, and I vindicate them here from your aspersions as I vindicated you from the aspersions of the Republican press.

I see that the honorable gentleman from Pennsylvania [Mr. STEVENS] is about to rise. I do not know whether he wants me to restate what I have said in reference to the State banks or to repeat the interrogatories he put me the other day against the New York banks. [Mr. STEVENS sitting down, Mr. Brooks continued.] I have in my hand a statement of a bank president in New York in reply to his question the other day. I submit it without comment now:

NEW YORK, April 16, 1864.

Dear Sir:—Mr. Stevens asserted that the banks of New York took \$150,000,000 loan, and paid \$100,000,000 in gold and \$50,000,000 in currency. The facts are, the banks in New York took only a portion of the \$150,000,000, say \$105,000,000, the balance being taken by the Boston and Philadelphia banks.

Up to December 31, 1861, they had paid \$87,500,000 in gold directly into the Treasury, and during the months of January and February, 1862, paid \$17,500,000 in old United States demand notes, which a terwards sold at a premium nearly

equal to that of gold, so that in fact they paid the loans in gold or its equivalent.

Respectfully,
HON. JAMES BROOKS. BANK PRESIDENT.

The amount of currency in the loyal States of this Union now, issued by the State banks, is estimated by observing men conversant with financial affairs at about \$160,000,000. The very highest of any estimate is \$175,000,000. In all probability it is much less; because New York has, as experience shows, one-fourth of the currency of the Union, and multiplying her circulation now by four, the product will be much less than \$160,000,000.

That this basis of calculation upon the New York banks is correct, is proved not only by the experience of the past, but by the law of the domestic exchanges; because if Pennsylvania or New England or the West over issue even on legal tender, unfavorable domestic exchanges would soon compel them to curtail. But put the circulation of the State banks as high up as \$160,000,000, that is all these State banks have been guilty of since the suspension of specie payment. There may have been other isolated persons engaged in the banking business that have overshot the true mark. There are dishonestly acting banks as there are dishonest persons. There are banks which are largely inflated; but upon the whole, considering the sandy foundation upon which the State banks have stood since the suspension of specie payment, their curtailment of circulation has been wonderful; and they deserve a tribute of respect from Congress and the Administration rather than the denunciation to which they are exposed. I have, however, sufficiently exposed the error of the Secretary number three.

But what is the remedy proposed by gentlemen to get rid of this \$160,000,000 of State currency? Why, it is proposed to add to this, under this new banking system, \$300,000,000 of paper money! In order to get rid of \$160,000,000 of State bank circulation, you propose to add \$300,000,000 of Federal bank currency, and thereby, when you have destroyed all the State banks, to inflate the currency \$140,000,000 additional. So when your system is complete, we shall have \$680,000,000 of legal tender and \$300,000,000 of the new bank currency, and the circulation of the country will be \$980,000,000; and that will be the basis of the value of all the property of the country!

Now I call the attention of this House, of the country, and of the Secretary of the Treasury to this fact; and so far as my feeble voice of admonition can reach them, I warn them that if they do not curtail or lessen this expansion they are approaching a crisis from which no success of our arms can rescue the property and labor of the country. There is no crime so great as issuing an unnecessary and improper quantity of mere paper as money. It is robbery in its worst aspect and it is radicalism and agrarianism in their most destructive forms. It unsettles not only the foundations of property and of labor, but of the public morals and public character. It demoralizes men, and thereby demoralizes all

society. It creates fraud, gambling, intoxication, moral, mental, and physical, and thereby inflicts upon a people what is worse than war, pestilence, or famine. In the name of property, then, in the name of labor, in behalf of public morals, I invoke the Secretary of the Treasury, from my place upon the floor of this House, to curtail his expansion of the currency, to fund the public debt, no matter at what cost. He is not doing that by making money plenty, in order to have his tentacles taken at five per cent. interest; because of some pledge that no more six per cents shall be issued, to thereby keep up for these six per cents their premiums. But time is precious for the Secretary. It is not too late for him even now to rescue his name and fame from the infamy of John Law or from the follies of the rebel Secretary Memminger, or, I was about to say, from the opprobrium of Nicholas Biddle, who handled, however, only the trifle of forty millions, while Mr. Chase and Memminger handle millions and billions and trillions in paper money. Indeed, we are now traveling fast in the footsteps of Secretary Memminger, and if our resources were not infinitely greater than those of the South, if our means were not as a hundred to one of theirs, if our numbers were not infinitely greater, we should soon be driven into that gulf of repudiation into which Memminger himself is now plunging. Avoid it, then. Shrink back from this gulf of perdition, Mr. Secretary. Stand by precedent and principle, and remember there is no money but gold, and no source of property but labor.

The remedies proposed for this unhappy state of things by the honorable gentleman from Vermont [Mr. MORRILL] and by my colleague from New York [Mr. STEBBINS] is a heavier tariff, high enough to exclude importations; or, if not that, a great increase of duties to prohibit luxurious importations. If I understood my colleague from New York aright, he was for excluding everything in the way of foreign importations. He was for cutting off this whole source of our troubles and for shutting off the great mass of foreign commerce. Why, sir, that would be killing the goose which laid the golden egg. It is indispensably necessary for us to have a large foreign commerce, in order that we may collect duties in gold, because our only means of paying interest on the public debt is by receipts at the custom-house. The honorable gentleman from Vermont tells us that our annual expenditure in gold coin for interest on the public debt is \$43,000,000. Well, we must collect \$43,000,000 in gold; and in order to do that there must be no prohibitory duties. Customs must be paid. Importations must be encouraged. Commerce must go on and be sustained. Hence, in framing a tariff, true wisdom will consist not in leveling lines of duty at twenty-five or fifty per cent. as proposed yesterday, but in discriminations between certain duties and certain articles. Some articles may have the duties largely increased. On others the existing duties should be diminished.

I do not wish the United States to adopt the system of the Chinese or of the Japanese, (for these Chinese have given it up,) and shut ourselves up from all the other nations of the earth. But the whole system of paper money is vicious; we are moving in a circle of vicious necessity. We must import. We must buy foreign goods. We must buy silks and satins and laces and tapestries and carpets, because it is indispensably necessary to have \$43,000,000 in coin collected therefrom, in order to have coin for the payment of our interest on the national debt. Hence it would almost seem as if we must make paper money at home to enable people to be rich enough to buy luxuries from abroad; and then when we start wrong we move in this circle of a vicious necessity. The curtailment of the currency, however, is indispensably necessary as a first check upon importations. And that is the only way to check too large importations. But while the Secretary of the Treasury has been expanding the currency, he or his friends seem amazed at the enormous amount of importations in the port of New York. They cannot comprehend it. Why, the explanation of it is all clearly in the \$680,000,000 of his own paper currency. Just as you make money plenty in this country, to that, then, the dearest market in the world, will rush importations from the cheap markets of that world. The great cause of importations is the expansion of the currency; and the true way, I repeat, to check the enormous importation is to check the expansion of the currency.

I will not detain the House by showing what are statistical facts on this result, but it is worth while to look at the few brief records which I have before me, for the purpose of our own contemplation and instruction.

I hold in my hands a table of the imports of New York, from January 1, 1862, to April 1, 1864. In that period of time the imports were:

In 1862,	• • • • •	\$46,538,566
In 1863,	• • • • •	51,268,439
In 1864,	• • • • •	63,369,701

In the same period of time the exports were:

In 1862,	• • • • •	\$32,599,740
In 1863,	• • • • •	51,663,340
In 1864,	• • • • •	38,969,225

That diminution in exports took place because in no small degree our people have turned speculators, not producers. Any one seems a blockhead now-a-days who lives in the country, raising potatoes and cabbages, when he can come to New York and make \$20,000 or \$30,000 in a day. Last Monday week I saw a long queue ranged around the New York custom-house waiting turns to buy gold certificates at 65, while gold was selling at 75. Laboring men quit work and assembled around the custom-house. They gathered there at three o'clock in the morning, but the police would not allow them to form a queue till six o'clock. Then they formed a queue, the strongest beating back the weakest. There they stood till the custom-house opened at ten o'clock. Brokers or their agents, going

down there at eleven or twelve o'clock and seeing the small chance they had if they took their places behind of getting their gold certificates, looked about in the queue for men who looked as if they were not in great need of gold certificates, and induced them to yield their places for two or three hundred dollars. A man is a fool to handle a tripphammer, or to dig or work, when he can go into Wall street and earn \$300 by standing in a queue from three o'clock in the morning till twelve noon. That was one result of the plan adopted by the Secretary of the Treasury to make gold cheaper, while he kept on issuing paper, and the whole thing became so ridiculous that by general consent it was abandoned.

As I was about to say, the exportation was \$38,969,225. Now look at the statistical results. Our imports are computed at gold value, while our exports are computed at the value of legal tender notes. And the figures I have stated will produce this result.

The imports, gold value, from January 1, 1864, to April 1, 1864, were \$63,679,701; while the exports for the same period, in gold value, were but about \$25,000,000; so that the surplus imports from January 1, 1864, to April 1, 1864, were about \$38,000,000. The imports for a single week prior to April the 1, 1864, were \$6,138,714, while the exports for the same period, gold value, were but about \$2,000,000, paper value being \$3,177,025; making a surplus of imports of some \$4,000,000 over the exports for a single week into the port of New York.

And, sir, just as you expand the currency of the country; no matter what regulations you make in regard to gold, or ordinances you pass, no matter what tariffs you may impose, just as you expand the currency, the importations will increase. What cares the man who is making \$30,000 a week what he pays, what tariff you impose upon the silks and satins that his wife may want to purchase? Nothing whatever. The duty may be two or three hundred per cent., and if his family wanted the silks and satins most unquestionably he would pay the duty. I dare say my friend who stayed in that queue of which I have spoken, and earned \$300 by it in a single day, having never earned money so easily before, went to Stewart's and bought silks and satins for his wife and children, depositing it all for the benefit of the manufacturers of England and France. I say, then, Mr. Chairman, that these statistics impress upon my mind, and I think will impress upon the mind of the public, the fact that the source of all our difficulty is not in our importations, but in the expansion of our currency.

Mr. Chairman, I believe I will not trouble the House any longer with the narration of these statistics. My general ideas, I think I have impressed upon gentlemen, and I hope they will bear them in mind. I assure gentlemen on the other side of the House that I have no other object in presenting these views than the public good. Their fortune is my fortune, their misfortune is my misfortune.

We are in the common ship of State, all going together. As I said in the outset, I know that I am only a passenger in that ship—a passenger confined in the cabin too. But I am sailing under the same flag to the same destiny that they are, and trust that God will prosper them in the voyage for the restoration of the unity and Constitution of our common country.

Permit me to do, then, what a Quaker of Massachusetts was driven to do when on board a privateer in the last war with Great Britain. He happened to be off the coast of Massachusetts on a privateer, going to some port in his own State, when they were attacked by a British privateer. He witnessed the mismanagement of the steering and the mismanagement of the guns until he could endure it no longer, and, Quaker as he was—a peace Democrat—and opposed to the war as he was, he broke the shackles of his principles, and leaping out upon the deck he said to the captain: "If thee wants to take that British rascal thee must steer so and so, and shoot thy guns so. I am opposed to shooting, but if thee wants to take that ship thee must shoot thy guns so and so," [showing how.]

Sir, I tell honorable gentlemen upon the other side of this House that if they would succeed they must follow principles and precedents in the conduct of the war. They must not be ever running in debt and never paying. Taxation is indispensably necessary, all men acknowledge. This tax bill ought to have been here in December last, and not postponed till now, when its machinery can be brought to work only after the Presidential election. It ought to have preceded all the appropriations. Nay, it should have been introduced and put in operation two years ago. With taxation will come reflection. Passion will subside, and reason will resume its sway. If we are to go on with the war we shall go on with it for constitutional purposes,

and the administration of the Government will pass into the hands of constitutional men. But in the discussion of this subject of taxation and currency I intend to refrain as much as possible, from all party provocation. If I know my own heart, I am no more party man, and my highest ambition is to serve my country independent of, and above all party. I happen to be adverse to the Republican party at this time, because, trained as I was in the schools of Clay and Webster, I cannot be a modern Republican without an utter abandonment of every great lesson they left or taught. Whenever the Republicans are ready to come over to the great principles of a Clay and a Webster, or to that Whig party with which I was so long identified, I shall be too happy to act once more with many an old, but now lost political friend. I stand now where I have stood in public life, mere or less, for twenty-five years, upon great principles and precedents; and these principles and precedents leave me now no association but with the Democratic party. I shall stand there as long as they stand there; and I see little or no hope now for my country but in their restoration to power.

Mr. HUBBARD, of Connecticut. I want the gentleman from New York to state whether he is in favor of the passage or amendment or rejection of this tax bill.

Mr. BROOKS. I remember some years ago when I was in the Legislature of New York, there was presented a codification of the State laws, a huge book much bigger than this, [holding up the tax bill,] and we had to take it en faith in a lump. In all probability we shall have to take this, or the most of it, on trust, and in a lump, for but few can get time even to read it, and I hope that there will be no misplaced confidence in the committee that reports it. I can assure the gentleman from Connecticut his friends will have no trouble from me in passing it.